

# News Release



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## *Arkansas' Unemployment Rate Advances to 5.7 Percent in October*

**Little Rock, Arkansas**—According to data prepared by the U.S. Bureau of Labor Statistics (BLS) and released today by the Arkansas Employment Security Department (AESD), Arkansas' unemployment rate (seasonally adjusted) increased two-tenths of a percentage point in October to 5.7 percent. This was the second consecutive month that the rate has advanced after falling from a 2004 high of 5.8 percent in May. The U.S. unemployment rate rose one-tenth of a percentage point to 5.5 percent.

Arkansas' labor force figures, developed by BLS through its national Current Population Survey (CPS), showed the number of employed persons was up slightly by 2,100 to a level of 1,255,600 in October. The number of unemployed Arkansans also increased between months to 75,400.

AESD Communications Director Kimberly Friedman said, "Arkansas' labor force numbers were up slightly again in October due to small gains in both the number of employed and unemployed. New entrants into the labor force, those persons who had no previous job attachment, combined with new layoffs in several industries led to the increase in unemployment." The employment/population ratio—the proportion of the population age 16 and over with jobs—increased in October to 59.9 percent, she said.

In October 2003, Arkansas' unemployment rate was 6.7 percent, and 84,900 Arkansans were out of work.

Table 1 ARKANSAS CIVILIAN LABOR FORCE SUMMARY (Seasonally Adjusted)						
Item	October 2004	September 2004	October 2003	Net Change From:		
				September 2004	October 2003	
Civilian Labor Force	1,331,000	1,326,800	1,265,200	+	4,200	+ 65,800
Employment	1,255,600	1,253,500	1,180,300	+	2,100	+ 75,300
Unemployment	75,400	73,300	84,900	+	2,100	- 9,500
Unemployment Rate	5.7	5.5	6.7	+	0.2	- 1.0
U.S. Unemployment Rate	5.5	5.4	6.0	+	0.1	- 0.5

**Source:** U.S. Bureau of Labor Statistics, Current Population Survey.

**Note:** The October 2004 totals for Arkansas are projections.

Unemployment rates were computed from unrounded data.

## Nonfarm Payroll Jobs

Arkansas' nonfarm payroll employment (not seasonally adjusted) declined 2,000 between September and October to 1,161,000. The drop resulted from layoffs in **manufacturing** and seasonal losses in six other sectors. Two major sectors added workers, despite the net decrease in the nonfarm total.

Over the year, nonfarm payroll employment in Arkansas advanced 6,600. Service providing industries gained 8,700 jobs, while goods producing industries lost 2,100.

## Monthly Employment Activity September 2004 to October 2004

The **leisure and hospitality** sector lost 1,500 jobs over the month to total 90,200 in October. Seasonal reductions were noted throughout the industry as layoffs occurred at businesses that rely on summer activity.

Employment in **professional and business services** declined 1,000 in October. The employment services category accounted for most of the loss.

The **construction** sector posted a decrease of 800 jobs between September and October. This seasonal slowdown was noted in both “construction of buildings” (-300) and “specialty trade contractors” (-500).

Jobs in the **manufacturing** sector fell 400 in October as both durable and nondurable goods noted monthly losses. Manufacturing employment in Arkansas reached its peak (247,300) in June 1995 and has decreased 44,000 since then.

**Other services** reported 40,600 jobs in October, a seasonal decrease of 300 over the month.

A loss of 200 jobs in **financial activities** was traced to a seasonal decline in the real estate industry.

Employment in the **natural resources and mining** sector declined 100.

**Government** employment gained 1,700 jobs between September and October to total 203,300. The hiring of substitute teachers at local schools and student workers at colleges and universities was responsible for the gain.

Employment in **educational and health services** rose 600 between months, pushing jobs to a record 146,000. The increase was traced almost entirely to the return of workers to private educational facilities.

Job totals in **trade-transportation-utilities** and **information** were unchanged between months.

## Yearly Employment Activity October 2003 to October 2004

The **educational and health** services sector expanded over the year, adding 4,000 workers. Health care and social assistance facilities accounted for all of the growth.

Compared to the previous year, employment in **leisure and hospitality** advanced 1,700. Hiring in the accommodations and food services industries accounted for over three-fourths of the gain.

Employment in the **professional and business** services sector was up 1,200 over the year. All industries in this sector recorded growth.

Led by advances in **finance and insurance** companies, the number of jobs in the financial activities sector rose 1,100 over the year.

**Government**, which includes federal, state and local agencies, as well as educational facilities, added 1,000 positions since October 2003. Local government accounted for half of the additional workers.

Over the year, 400 jobs have been added to the **construction** sector. The largest gain was in specialty trade contractors.

The number of jobs in **other services** rose 200.

**Manufacturing** employment declined 2,500 from the October 2003 level. Durable goods experienced a loss of 700, and nondurable goods declined 1,800.

Employment in **trade, transportation and utilities** fell 500 over the year. A reduction of 1,300 in transportation and warehousing was partially offset by gains in several other industry segments.

The totals in **natural resources-mining** and **information** were unchanged.

**Table 2**  
**NONFARM PAYROLL JOBS**  
**STATE OF ARKANSAS**  
**(not seasonally adjusted)**

North American Industry Classification System (NAICS) Industry Group	October 2004	September 2004	October 2003	Net Change From:	
				September 2004	October 2003
Total Nonfarm	1,161,000	1,163,000	1,154,400	-2,000	6,600
Goods Producing	261,900	263,200	264,000	-1,300	-2,100
<b>Natural Resources &amp; Mining</b>	<b>7,100</b>	<b>7,200</b>	<b>7,100</b>	<b>-100</b>	<b>0</b>
Mining	3,800	3,800	3,700	0	100
<b>Construction</b>	<b>51,500</b>	<b>52,300</b>	<b>51,100</b>	<b>-800</b>	<b>400</b>
Construction of Buildings	11,700	12,000	11,600	-300	100
Heavy & Civil Engineering Construction	10,800	10,800	10,700	0	100
Specialty Trade Contractors	29,000	29,500	28,800	-500	200
<b>Manufacturing</b>	<b>203,300</b>	<b>203,700</b>	<b>205,800</b>	<b>-400</b>	<b>-2,500</b>
Durable Goods	108,100	108,400	108,800	-300	-700
Wood Products	14,200	14,100	14,200	100	0
Primary Metals	8,200	8,300	7,800	-100	400
Fabricated Metals	17,900	17,900	17,700	0	200
Machinery	14,200	14,200	14,100	0	100
Computer & Electronic Products	6,000	6,000	6,200	0	-200
Electrical Equipment	13,200	13,000	13,300	200	-100
Transportation Equipment	16,300	16,100	15,800	200	500
Furniture & Related Products	7,500	7,900	8,200	-400	-700
Miscellaneous Manufacturing	6,400	6,500	6,900	-100	-500
Non-durable Goods	95,200	95,300	97,000	-100	-1,800
Food	52,500	52,600	52,800	-100	-300
Paper & Printing	16,900	17,100	17,200	-200	-300
Plastics & Rubber Products	12,900	12,900	13,300	0	-400
Service Providing	899,100	899,800	890,400	-700	8,700
<b>Trade, Transportation, &amp; Utilities</b>	<b>242,000</b>	<b>242,000</b>	<b>242,500</b>	<b>0</b>	<b>-500</b>
Wholesale Trade	45,000	45,200	44,700	-200	300
Retail Trade	131,200	130,700	130,700	500	500
Motor Vehicle & Parts Dealers	18,200	18,300	17,800	-100	400
General Merchandise Stores	35,800	35,400	35,400	400	400
Department Stores	10,600	10,200	10,700	400	-100
Transportation, Warehousing, & Utilities	65,800	66,100	67,100	-300	-1,300
Utilities	6,700	6,700	6,700	0	0
Transportation & Warehousing	59,100	59,400	60,400	-300	-1,300
Truck Transportation	34,400	34,600	34,700	-200	-300
Warehousing & Storage	10,400	10,500	10,600	-100	-200
<b>Information</b>	<b>20,200</b>	<b>20,200</b>	<b>20,200</b>	<b>0</b>	<b>0</b>
Publishing Industries	6,400	6,400	6,400	0	0
Telecommunications	8,600	8,500	8,800	100	-200
<b>Financial Activities</b>	<b>51,500</b>	<b>51,700</b>	<b>50,400</b>	<b>-200</b>	<b>1,100</b>
Finance & Insurance	38,600	38,600	37,700	0	900
Real Estate & Rental & Leasing	12,900	13,100	12,700	-200	200
<b>Professional &amp; Business Services</b>	<b>105,300</b>	<b>106,300</b>	<b>104,100</b>	<b>-1,000</b>	<b>1,200</b>
Professional, Scientific, & Technical	30,600	30,500	30,400	100	200
Management Of Companies	24,100	24,200	23,600	-100	500
Administration & Support Services	50,600	51,600	50,100	-1,000	500
Employment Services	24,000	24,900	24,100	-900	-100
<b>Educational &amp; Health Services</b>	<b>146,000</b>	<b>145,400</b>	<b>142,000</b>	<b>600</b>	<b>4,000</b>
Educational Services	12,600	12,100	12,900	500	-300
Health Care & Social Assistance	133,400	133,300	129,100	100	4,300
Ambulatory Health Care	40,700	40,700	39,400	0	1,300
Hospitals	43,300	43,400	41,600	-100	1,700
Nursing & Residential Care Facilities	26,000	25,900	25,300	100	700
Social Assistance	23,400	23,300	22,800	100	600
<b>Leisure &amp; Hospitality</b>	<b>90,200</b>	<b>91,700</b>	<b>88,500</b>	<b>-1,500</b>	<b>1,700</b>
Arts, Entertainment, & Recreation	9,300	9,800	8,900	-500	400
Accommodations & Food Services	80,900	81,900	79,600	-1,000	1,300
Accommodation Services	11,200	11,600	10,700	-400	500
Food Services	69,700	70,300	68,900	-600	800
<b>Other Services</b>	<b>40,600</b>	<b>40,900</b>	<b>40,400</b>	<b>-300</b>	<b>200</b>
Automotive Repair	7,400	7,400	7,400	0	0
<b>Government</b>	<b>203,300</b>	<b>201,600</b>	<b>202,300</b>	<b>1,700</b>	<b>1,000</b>
Federal Government	21,400	21,500	21,200	-100	200
State Government	67,800	67,500	67,500	300	300
Local Government	114,100	112,600	113,600	1,500	500

Source: Arkansas Employment Security Department, Monthly Survey of Employers.  
Estimates are based on first quarter 2003 benchmark.

## Metropolitan Statistical Area Labor Force Data

Projected unemployment rates declined in all five of the states metropolitan statistical areas (MSAs) in October. Rates ranged from 2.3 percent in the Fayetteville-Springdale-Rogers MSA to 8.0 percent in the Pine Bluff MSA. In between were the Fort Smith MSA at 4.4 percent and the Little Rock-North Little Rock and Jonesboro MSAs at 4.2 percent, each.

Table 3 EMPLOYMENT AND UNEMPLOYMENT PROJECTIONS METROPOLITAN STATISTICAL AREAS (Not Seasonally Adjusted) Fayetteville-Springdale-Rogers MSA (Benton and Washington Counties)						
Item	Projected	September 2004	October 2003	Net Change From:		October 2003
	October 2004			September 2004	October 2003	
Civilian Labor Force	181,200	181,800	168,900	- 600	+	12,300
Employment	177,100	177,375	164,325	- 275	+	12,775
Unemployment	4,100	4,425	4,575	- 325	-	475
Unemployment Rate	2.3	2.4	2.7	- 0.1	-	0.4
Fort Smith MSA (Crawford and Sebastian Counties in Arkansas; Sequoyah County in Oklahoma)						
Item	Projected	September 2004	October 2003	Net Change From:		October 2003
	October 2004			September 2004	October 2003	
Civilian Labor Force	100,650	101,125	98,225	- 475	+	2,425
Employment	96,225	96,375	93,150	- 150	+	3,075
Unemployment	4,425	4,750	5,075	- 325	-	650
Unemployment Rate	4.4	4.7	5.2	- 0.3	-	0.8
Jonesboro MSA (Craighead County)						
Item	Projected	September 2004	October 2003	Net Change From:		October 2003
	October 2004			September 2004	October 2003	
Civilian Labor Force	45,725	45,950	44,225	- 225	+	1,500
Employment	43,825	43,900	41,950	- 75	+	1,875
Unemployment	1,900	2,050	2,275	- 150	-	375
Unemployment Rate	4.2	4.5	5.1	- 0.3	-	0.9
Little Rock-North Little Rock MSA (Faulkner, Lonoke, Pulaski and Saline Counties)						
Item	Projected	September 2004	October 2003	Net Change From:		October 2003
	October 2004			September 2004	October 2003	
Civilian Labor Force	325,475	327,025	307,100	- 1,550	+	18,375
Employment	311,875	312,400	292,250	- 525	+	19,625
Unemployment	13,600	14,625	14,850	- 1,025	-	1,250
Unemployment Rate	4.2	4.5	4.8	- 0.3	-	0.6
Pine Bluff MSA (Jefferson County)						
Item	Projected	September 2004	October 2003	Net Change From:		October 2003
	October 2004			September 2004	October 2003	
Civilian Labor Force	38,650	38,925	35,975	- 275	+	2,675
Employment	35,575	35,625	32,975	- 50	+	2,600
Unemployment	3,075	3,300	3,000	- 225	+	75
Unemployment Rate	8.0	8.5	8.4	- 0.5	-	0.4

Source: Arkansas Employment Security Department and U.S. Bureau of Labor Statistics.

## Unemployment Comparisons: Minority and Youth

Utilizing data from the monthly BLS Current Population Survey, AESD estimated the October unemployment rate for minorities in Arkansas at 10.7 percent. The jobless rate for whites was 4.6 percent. The youth unemployment rate was estimated at 19.9 percent. The jobless rate for minority youth was 28.8 percent, while the unemployment rate for white youth was 17.4 percent.

**Table 4**  
**UNEMPLOYMENT RATES FOR MINORITIES AND YOUTH**  
**ARKANSAS AND UNITED STATES**  
**(Seasonally Adjusted)**

	October 2004		September 2004		October 2003	
	<u>Ark.</u>	<u>U.S.</u>	<u>Ark.</u>	<u>U.S.</u>	<u>Ark.</u>	<u>U.S.</u>
<b>Unemployment Rate</b>	<b>5.7</b>	<b>5.5</b>	<b>5.5</b>	<b>5.4</b>	<b>6.7</b>	<b>6.0</b>
<b>Minority Rate</b>	<b>10.7</b>	<b>10.7</b>	<b>10.4</b>	<b>10.3</b>	<b>12.5</b>	<b>11.4</b>
<b>White Rate</b>	<b>4.6</b>	<b>4.7</b>	<b>4.5</b>	<b>4.7</b>	<b>5.5</b>	<b>5.1</b>
<b>Youth (16-19)</b>	<b>19.9</b>	<b>17.2</b>	<b>19.5</b>	<b>16.6</b>	<b>23.0</b>	<b>17.1</b>
<b>Minority Youth</b>	<b>28.8</b>	<b>34.5</b>	<b>28.3</b>	<b>28.9</b>	<b>32.6</b>	<b>37.3</b>
<b>White Youth</b>	<b>17.4</b>	<b>15.2</b>	<b>17.0</b>	<b>14.7</b>	<b>20.1</b>	<b>14.3</b>

**Source:** U.S. Bureau of Labor Statistics, Current Population Survey.

**Note:** The minority, white, and youth unemployment rates for Arkansas were calculated by AESD by applying ratios from the 2000 Census to data provided by the U.S. Bureau of Labor Statistics, Current Population Survey.